



Innovation

Managing and promoting high-impact innovation by collaborating with the global science, technology and innovation ecosystem in order to gain new knowledge that allows researching and developing products, services, experiences and business models.



Innovation promoters from Servicios Nutresa in Colombia.

Management approach

[GRI 3-3]

Progress achieved in 2022

[GRI 3-3]

Enhancing the Organization's growth via intrapreneurship initiatives.

- **Development and strengthening** of corporate entrepreneurship programs in seven Business Units by means of 10 development projects.

Innovating in opportunities with a significant impact.

- **16,1% of the total sales** were innovation-driven sales.
- **22,68% of H2 (adjacent innovation) sales** and 1,27% of H3 (disruptive innovation) sales.
- **Two new businesses** were launched.
- **COP 483.626 million from sales** based on social innovation.
- **COP 256.003 million from sales** based on environmental innovation.

Strengthening the technological monitoring processes.

- **Seven training activities** dealing with monitoring processes in the Business Units.
- **Seven technology roadmaps** formulated to identify and prioritize technology gaps.
- **50 technological monitoring deliverable materials** created, such as: technology and regulatory warnings, nutritional reports, industrial ownership reports and reports on competitors.

Creating and managing the innovation ecosystem map.

- **11 projects submitted** to science, technology and innovation calls for entries in Colombia, with a total funding of 355 million in 2022.
- **Tax benefits** in 2022 amounting to COP 6.685 million, with a corresponding projection for 2023 totaling COP 2.866,5 million.
- **Participation in six calls for entries** within the ecosystem in Colombia.

Adopting the Imagix Model in all geographies.

- **Design and implementation** of the innovation maturity index in all Business Units and geographies. Total maturity baseline: 2,79/5,00.

Using Imagix 2.0 programs and tools thoroughly.

- **440 promoters** and 4.835 employees and leaders trained in innovation methodologies.
- **COP 74.864.232.539 million invested** in R&D+i.
- **404 people** dedicated to R&D+i throughout the Organization.

Risks and Opportunities

[GRI 3-3]

The speed at which the setting is transforming as a consequence of the accelerated technological evolution and people's shifting habits represents a major opportunity for the generation of new business and value propositions that address such emerging needs.

That is how Grupo Nutresa has strived to strengthen its corporate entrepreneurship, the capitalization of the relations with the local and international ecosystems and the development of new capabilities that allow the materialization of innovations that produce a deeper impact.

Additionally, having direct presence in several Latin American countries represents a major opportunity to gain access to talent with diverse knowledge and capacities that enhance the innovation projects. On another note, the openness and flexibilization with regard to new work and hiring models that allow a higher level of mobility and loyalty of a type of human talent that is currently on high demand and becoming scarce.

It is essential to frequently study the market, the growing number of competitors and the evolution of the consumers' habits and needs. The correct analysis and reading of the setting enables Grupo Nutresa to take anticipate action by developing value propositions related to products, services and new business and distribution models to ensure the preference by both consumers and customers. The agility in the development of innovation is also key to ensure a timely operation and gain market share.

in addition to sourcing and production systems for creating layers of growth and generating value for all stakeholders.

The implementation of digital technologies, such as robotic process automation (RPA), artificial intelligence and data analytics, among other, is also a driver of the innovation portfolio because they help in escalating the solutions across the entire strategic region with greater speed and deeper impact. In addition, these technologies represent an opportunity to harness efficiency in the process and find value propositions that respond to the shifting needs of both customers and consumers.

The Organization is committed to taking care of the environment and people, which has become a pillar for its research, development and innovation actions. Consumers now have higher level of awareness and a larger volume of information, and the regulations related to both fronts is constantly evolving. That is why the Company constantly integrates more capabilities, knowledge and talent focused on formulating environmentally and socially responsible propositions.

Employees from the
Chocolates Business in
Colombia.

Future challenges

Grupo Nutresa will continue building its corporate entrepreneurship capacities with the development of new business models along the entire value chain by improving the internal and the ecosystem engagement capabilities. The purpose of this approach is to produce innovations in terms of services, experiences, distribution and logistics models,



Outstanding practices and acknowledgments



Best ecofriendly container, best food container and best design 2022 awards

The accolades were awarded by Latam Pack and Anuaria Colombia, organizations that highlight initiatives that have a deep impact on both the market and the planet in today's context. The origin of these awards can be traced back to Europe, but they are now evaluated in Colombia by the top professionals from the industry. The Ice Cream Business, with its CremHelado Gold brand, was awarded three recognitions:

- **Best ecofriendly packaging 2022.** With low weight bases (~30% in relation to similar solutions), suitable for freezing. A technical achievement with a lesser environmental fingerprint.
- **Latam Pack selection 2022.** Best container or packaging for food thanks to its graphic and packaging design as a solution that considers both graphic and functional features.
- **Anuaria Colombia Gold Award.** Awarded to the best graphic design for a label.



Most innovative company in the Corporate Innovation Ranking published by ANDI-Dinero

Grupo Nutresa was acknowledged as the most innovative company among 347 companies and entrepreneurship projects that participated in the seventh edition of the Innovation Ranking organized by the National Business Association of Colombia and the Dinero magazine. Additionally, the Company's 'plant based' innovation was included in the top five innovations of the Ranking. In the two previous years, the Organization ranked second and third.

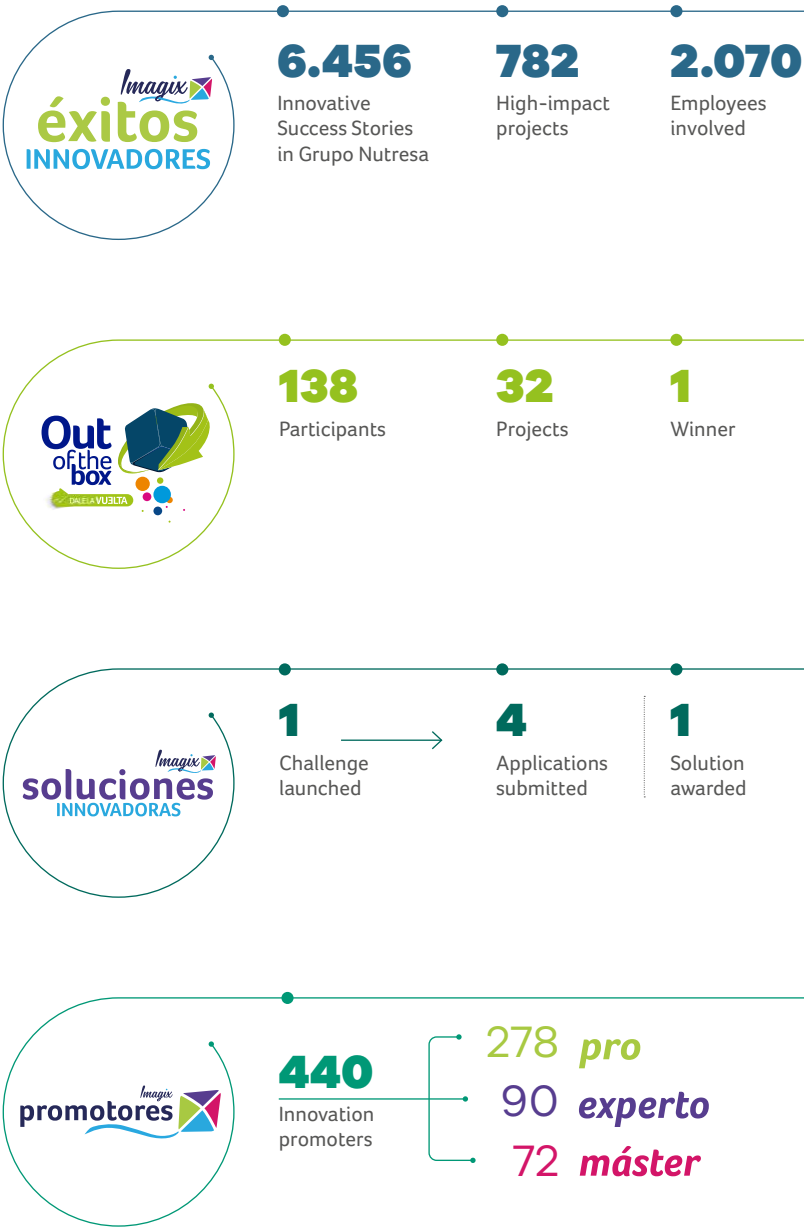
Material topic details

[GRI 3-3]

Effective innovation is one of Grupo Nutresa’s core capabilities, which enables, accelerates and increases the dynamics of the development of new products, services, business models, channels and experiences to contribute to the fulfillment of the Organization’s goals for 2030.

In 2022, the Company made progress regarding its operation in all geographies, and intensified its efforts toward identifying opportunities from a deeper understanding of the consumer, as well as toward meeting various needs with a portfolio of high-value products and innovations.

1. Culture Adoption and effective application of the evolution of the model and its programs



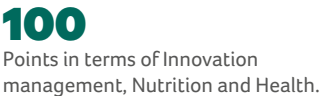
Corporate entrepreneurship



Measurements and rankings



Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA



2. Processes and resources

Strengthening of the culture, expert capability and innovation-driven leadership

Resources

404

People assigned to R&D+i

4.835

People received training

0,5%

Sales from investments in R&D+i

Training



Bootcamp + hackathon
Medellín / Bogotá

132

People, 6 geographies

57

Prototypes



16

Virtual courses

1.712

People



148
People

82 *pro*
31 *experto*
36 *máster*

Intellectual property

4

Trade secrets

4.835

Patents*

0,5%

Industrial designs*

* Secured and accumulated.

3. Portfolio

Strengthening and management of the innovation portfolios for an increased impact.

Innovation-driven sales



2,5 trillion



16,1%



1.308

Product innovations



2.735

Process innovations

Sales by horizon



H1: 76,03%

2021: 83,24%

H2: 22,68%

2021: 83,24%

H3: 1,27%

2021: 83,24%

4. Ecosystem

Harnessing the ecosystem's advantages

Calls for entries, government-organized programs and other partnerships

11

System calls for entries in which we participated.

+

36

Open innovation projects.

Tax benefits

\$6.685

Million in 2022

\$2.866

Million in 2023

\$354

Million in funding

Some of the actors from the innovation ecosystem



Corporate entrepreneurship was one of the main pillars of the innovation strategy focused on enabling the transformation, growth and creation of new income flows in multiple geographies of the strategic region. Moreover, incremental innovation was maintained to ensure the relevance, validity and dynamism of the brands from the consumers viewpoint. Managing such diverse portfolios was crucial in order to guarantee the impact and the efficiency of the resources available for these projects.

In alignment with the constant and sustained effort regarding transformation and disruption, in 2022, the Company was granted multiple awards by external entities highlighting the evolution and maturity of the innovation model, including:

In terms of innovation:

- **First place** in the National Ranking of Entrepreneurial Innovation 2022 compiled by the ANDI and the Dinero magazine.
- **Top score** in the innovation management category within the economic dimension of the Dow Jones Sustainability Index (DJSI) 2022.

Employees from Servicios Nutresa in Colombia.



Vidarium Research Awards:

Category 1. Generation of knowledge



- **Third place.** *Evaluation of the emission of methane for different types of pig fattening facilities in the Colombian state of Antioquia.* Research conducted by the Cold Cuts Business.



- **Second place.** *Implementation of technology by cocoa growers from San Vicente de Chucurí, Santander: the role of cadmium regulation.* Research conducted by the Chocolates Business.



- **First place.** *First registration of *Cryptolestes pusillus* (Schonherr) and *Cryptolestes pusilloides* (Steel & Howe), (coleoptera: Laemophloeidae) in Colombia and the effect of low temperatures on their mortality.* Research conducted by the Coffee Business.

Category 2. Application of knowledge



- **Third place.** *Numerical simulation of multi-stage thermal processes in meat products.* Research conducted by the Cold Cuts Business.



- **Second place.** *Model of the migration of sodium and water in Vienna sausages.* Research conducted by the Cold Cuts Business.



- **First place.** *Assessment of coffee by-products through the use of roasting and ultrasound-assisted extraction technologies.* Research conducted by the Coffee Business.

High-impact innovation

- Creation of more balanced portfolios in terms of scope and type of innovation.
- COP 2.5 trillion in innovation-driven sales.
- COP 483.626 million in sales from social innovations and COP 256.003 million from environmental innovations.
- COP 14.914 million in savings from environmental innovations and COP 28.264 million in savings from social innovations.
- Two new business models launched.

Health and nutrition

The continuous research and innovation efforts carried out by Grupo Nutresa is projected on the launch of specialized health and nutrition propositions, namely:

Biscuits Business



Naturela

- Powdered product brand. A pure superfood of Andean origin, cultivated organically and distributed in Colombia.
- Soluble green beverage.



Low-sugar Skinny Girl cookies.



Pro-digestive Tosh cookies with a high content of prebiotics and fiber.



Tosh's Pop Chips. Based on corn, red millet and black quinoa. Free of artificial color and flavor additives, gluten-free.



Almond cream without preservatives and stabilizing agents.



Portfolio of rolled oats products, which are a good source of fiber and include a product item that is fortified with calcium and vitamin D.



Cold Cuts Business



Mushrooms Baby Bella mushrooms.



Pietrán's Veggie product line. Frozen burger patties and sausages made with alternative proteins. These products are part of the expansion of the plant-based product portfolio offered to flexitarian consumers.



Tresmontes Lucchetti



Gluten-free Lucchetti pasta.



Livean's Superblends. Functional innovation.



Ice Cream Business

Crem Helado based on almond beverage.

Flavors: dulce de leche & almonds, red berries and chocolates & blueberries.



Artisan piña colada ice cream.



Chocolates Business



Frozen smoothies.
Portfolio of products based on natural fruits and vegetables.



Entrepreneurship projects

HAKA
Poder Natural

Haka. Dermo-cosmetics product line including aromatherapy and flower essences.

Other innovations

Novaventa implemented an e-learning solution for its entrepreneurs which is called “Mi Formación” (My training). It is a learning platform incorporated into the virtual store with a portfolio of both general and specific contents for developing soft skills and knowledge on the business, the products and the virtual store, among other.

For its part, the Chocolates Business opened a point of sale of the Evok brand in Dubai, United Arab Emirates, after its outstanding participation in Expo Dubai 2022, an event where people from more than 150 countries got to discover this brand's products.

Finally, thinking about its transport operators, Tresmontes Lucchetti resorted to innovation to

improve the stay at its distribution center in Bogotá, Colombia's largest city. This investment was made as a positive contribution to the employees' well-being and interpersonal relationships, which leads to higher levels of commitment, loyalty and service quality that end up benefitting the customers.

Internalization of the model

Progress has been made toward consolidating the implementation of the innovation strategy in both Colombia and the strategic region: enhanced capacities have been built in terms of innovation, and each one of the pillars of the Imagix Model have been developed further.

Innovation programs



This initiative reached 440 employees skilled in culture, leadership, methodologies and innovation development capabilities in Colombia, Central America, the Dominican Republic, Chile, Mexico, Peru and Ecuador. In 2022, there were 267 active promoters on average, which correspond to 65% of all promoters, and more than 3.072 support activities were carried out. Additionally, the Company organized the annual event for promoters with approximately 272 attendees.



This program promotes the development of Grupo Nutresa's disruptive innovation and has a capital fund to create opportunities for future growth. In 2022, five projects were incubated, one of which was eventually selected to continue to the acceleration stage. This was the fifth edition of the program and a total of 32 proposal submissions were received.



This program promotes participation in the implementation of continuous improvement ideas. This edition of the program included 6.456 innovative success stories and 782 high-impact success stories on which more than 2.070 employees from the entire strategic region participated. It is worth highlighting the 13,5% growth in the number of high-impact innovative success stories in relation to the past year.



Open participation for overcoming challenges in a collaborative way by the Business Units. In 2022, the Company proposed one challenge, for which there were four solution submissions. One of the submissions, which included the participation of 12 employees, was selected and the corresponding accolade was awarded.

Resources

Grupo Nutresa invests resources to boost innovation according to both the strategy and the innovation portfolio.

- COP 74.864 million invested in R&D+i, equivalent to 0,48% of the sales.
- 404 people exclusively assigned to R&D+i throughout the Organization.

Innovation Promoters in Colombia.





Employees from the Pastas Business
in Colombia.

Culture

Training

- 16 Imagix Academy virtual courses on innovation and entrepreneurship, and 70 plays on average for each course, in addition to 1,725 people from 13 countries of the strategic region registered on the platform.
- More than 350 employees and leaders received training related to innovation methodologies.
- Two experimentation and prototyping bootcamps with the participation of 132 employees from all geographies.
- One exploration and incubation bootcamp for 10 Out of the Box project submissions, with the participation of 43 employees from multiple Business Units and geographies.

Imagix media

- Expansion of the scope, with over 4,743 followers on social media by the end of 2022 and an engagement rating of 5,9%.

Ecosystem

Strengthening of the relationships and creation of academic collaboration networks, research centers, suppliers, government bodies and communities. This ecosystem contributed with multiple capabilities, co-financing and expert talent, allowing to streamline the projects and increase the impact, quality and competitiveness. The main results of this pillar include the basic research initiatives, doctoral research projects by Grupo Nutresa employees, Vidarium's participation in projects and PhD and master's degree committees in Colombia and abroad, and the validation of new commodities jointly with suppliers.

In 2022, eleven projects were submitted to science, technology and innovation calls for entries in Colombia, with a total funding of COP 355 million. Additionally, a COP 6.685 million tax benefit quota was requested for the 2022 fiscal year. For 2023, the request amounted to COP 2.866 million, with the participation in six calls for entries within the ecosystem.

The calls for entries were the following:

- Call for entries number 913-2022 issued by the Colombian Ministry of Science, Technology and Innovation (MinCiencias) to apply for tax benefits. Seven projects submitted.
- Call for entries number 902-2022 issued by MinCiencias to apply for tax benefits based on the employment of PhDs. Two Business Units submitted applications.
- Call for entries issued by the Pascual Bravo University Institution to apply for the co-financing of a project. The Biscuits Business submitted an application.
- Call for entries number 926-2022 issued by the Colombian National Learning Service (SENA) to apply for the co-financing of a project formulated by the Coffee Business.
- Call for entries number 917-2022 issued by MinCiencias to apply for the co-financing of projects. The Biscuits Business submitted an application.
- Internal call for technological innovation entries issued by Universidad de Antioquia to apply for the co-financing of a project. The Biscuits Business submitted an application.

Open innovation

Collaboration with actors external to the Company to develop 46 open innovation projects to gain access to capabilities, experience, methods, tools and resources that create high value.

Intellectual property

Intellectual property protects and preserves the generated knowledge, identifies fundamental technology trends in planning and forward planning exercises, and maintains the competitive advantages.

Brands		Patents		Industrial designs
Pend-ing	Secured	Pend-ing	Secured	Pending and secured
542	2.453	18	13	9

Ideation process.

